

**TEXAS DEPARTMENT OF INSURANCE**  
**NOTIFICATION OF WORKERS' COMPENSATION FILING BY**  
**THE NATIONAL COUNCIL ON COMPENSATION INSURANCE**  
*ITEM 02-TX-2015*

The National Council on Compensation Insurance (NCCI) filed *Item 02-TX-2015* (TDI ECase No. 10294; SERFF Tracking No. NCCI-130225144) with the Texas Department of Insurance on August 31, 2015, under the workers' compensation manual rule filing procedure adopted in Commissioner's Order No. 3142, dated March 21, 2014. The filing proposes that the changes in *Item 02-TX-2015* would apply to new and renewal policies with effective dates on or after 12:01 a.m., July 1, 2016.

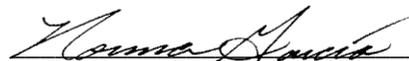
*Item 02-TX-2015* updates the Texas terrorism exception and premium algorithm in NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)*. As of its 2016 loss cost filing, NCCI will no longer include the terrorism advisory loss cost on the Texas Advisory Miscellaneous Values page in the *Basic Manual*, because it is not necessary to develop the final terrorism rate. The term "advisory loss cost" implies that a multiplier or deviation should be applied to determine the final terrorism rate. TDI requires carriers to file only their final terrorism rates.

For consistency, *Item 02-TX-2015* removes the references to the terrorism value and indicates that carriers must file terrorism rates with TDI in accordance with the Texas exception to *Basic Manual* Rule 3-A-24-c; and replaces the term "terrorism value" with "terrorism rate" in the Texas Workers' Compensation Premium Algorithm.

TDI prepared the above description of the proposed amendments. You may review a copy of NCCI's filing in the Office of the Chief Clerk of the Texas Department of Insurance, 333 Guadalupe Street, Austin, Texas 78701; or on the TDI website at [www.tdi.texas.gov/rules/2016/nccimanual.html](http://www.tdi.texas.gov/rules/2016/nccimanual.html).

**Public Comment:** To comment on the filing or to request a hearing, please submit two copies of your comments by 5 p.m., Central time, on March 17, 2016. Refer to TDI ECase No. 10294. Send one copy to [ChiefClerk@tdi.texas.gov](mailto:ChiefClerk@tdi.texas.gov) or to the Office of the Chief Clerk, Mail Code 113-2A, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104. Send the other copy to Marilyn Hamilton, at [Marilyn.Hamilton@tdi.texas.gov](mailto:Marilyn.Hamilton@tdi.texas.gov), or to the Property and Casualty Lines Office, Mail Code 104-PC, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104.

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Norma Garcia, General Counsel  
Texas Department of Insurance